GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:465
ANSWERED ON:25.07.2001
RECOMMENDATIONS OF THE REPORT
AJAY CHAKRABORTY;AKHILESH YADAV

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether dismantling of quantitative restrictions (QRs) have adversely affected the small scale industries;

(b) if so, the details thereof;

(c) whether a study group on development of small scale enterprises have submitted its report; and

(d) if so, the findings and recommendations made in the report and the Government`s reaction thereto?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND RURAL INDUSTRIES, MINISTER OF STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PEN AND PENSIONERS WELFARE OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND M OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) to (b): Government is constantly monitoring the impact of the removal of Quantitative Restrictions (QRs) and WTO Agreements on the economy including the small scale industries (SSIs) in the country. While the removal of QRs have exposed the SSIs to greater competition, there has not been any surge in imports as a consequence of this step. A comprehensive policy package for the development of SSIs has been announced on 30th August, 2000. The policy package will enhance the competitiveness of SSIs through easier access to credit, availability of collateral free composite loan upto Rs. 25 lakhs, capital subsidy for technology upgradation and improved infrastructure.

(c): Yes, Sir.

(d): The major recommendations of the study group include a three tier definition for small enterprises, a comprehensive law for the sector, including simplification of procedures, continuation of reservation, selective enhancement of investment limit, creation of corpus for infrastructural development and incubation centres, improving flow of credit, through raising limit of composite loans, various financial and fiscal measures such as raising excise exemption limit and other measures, schemes for technology upgradatiobn, marketing etc. A number of the recommendations of the Study Group have since been implemented through comprehensive policy package for the SSI Sector announced on 30th August, 2000.